

HEALTH CARE FINANCING ADMINISTRATION

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:

0 3 - 1 1

2. STATE:

Missouri

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

August 1, 2003

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR

7. FEDERAL BUDGET IMPACT:

a. FFY 2003 \$ 6,240b. FFY 2004 \$ 24,339

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4-19D
Pages 52B, 60B, 60C, 60D, 165B9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):Attachment 4-19D
Pages 60B, 60C, 165B10. SUBJECT OF AMENDMENT: This amendment provides for a nursing facility operations
adjustment, a 90% Medicaid High Volume Grant, and a 2nd tier high volume
adjustment for state fiscal year 2004. This amendment also provides for a
nursing facility operations adjustment to HIV nursing facilities.

11. GOVERNOR'S REVIEW (Check One):

☒ GOVERNOR'S OFFICE REPORTED NO COMMENT *ce*☐ OTHER, AS SPECIFIED:☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Steve Roling

14. TITLE:

Director

15. DATE SUBMITTED:

September 25, 2003

16. RETURN TO:

Department of Social Services
Division of Medical Services
615 Howerton Court
P.O. Box 6500
Jefferson City, MO 65102

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

SEP 26 2003

18. DATE APPROVED:

JUN - 4 2004

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

AUG - 1 2003

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

Charlene Brown

22. TITLE:

Deputy Director, CMSO

23. REMARKS:

(D) The Medicaid Program shall provide reimbursement for nursing facility services based on:

1. The individual Medicaid eligible recipient's covered days of care, within benefit limitations as determined in subsections (5)(D) and (5)(M) multiplied by the facility's Medicaid reimbursement rate;
2. Supplemental payments from enhancement payment pools that shall be calculated as a percentage determined by the Department of the aggregate difference between the Medicare Upper Limit and the per diem reimbursement for all Medicaid nursing facilities for services covered by the Missouri Medicaid program.
 - A. An enhancement payment pool shall be distributed quarterly to participating governmental nursing facilities based on their pro-rata share of local participation. Local participation shall be determined by calculating the pro-rata share of Medicaid patient-days of participating governmental facilities through the period ending June 30, 2005.
 - B. A second enhancement payment pool shall be distributed on a quarterly basis, in addition to per diem payments, to all Medicaid enrolled nursing facilities based on their pro-rata share of Medicaid days;
3. Reserved.
4. No payments may be collected or retained in addition to the Medicaid reimbursement rate for covered services, unless otherwise provided for in this plan; and
5. Where third party payment is involved, Medicaid will be the payor of last resort with the exception of state programs such as Vocational Rehabilitation and the Missouri Crippled Children's Services.

(D) Medicaid Enhancement Pools. Subject to federal approval, the Division of Medical Services shall administer two Medicaid enhancement payment pools to pay for services covered by the Missouri Medicaid program. Total payment from the pools shall not exceed the difference between the Medicare Upper Limit and the per diem reimbursement for all Medicaid nursing facilities for services covered by the Missouri Medicaid program. The Medicaid Enhancement Pools shall be calculated and distributed in the manner described below.

1. Government-owned nursing facilities may elect to participate in the funding and distribution of the first enhancement payment pool in accordance with an intergovernmental funds transfer agreement executed with the Department of Social Services through the period ending June 30, 2005.

A. The pool shall be calculated as a percentage to be determined by the Department of the aggregate difference between the Medicare Upper Limit and per diem reimbursement for all Medicaid nursing facilities.

B. The pool shall be distributed to participating governmental nursing facilities on a quarterly basis based on their pro-rata share of Medicaid patient-days.

2. All Medicaid enrolled nursing facilities may participate in distributions from the second pool.

A. The second pool shall be calculated as a percentage to be determined by the Department of the aggregate difference between the Medicare Upper Limit and per diem reimbursement for all Medicaid enrolled nursing facilities.

B. The second pool shall be distributed quarterly, made in addition to per diem payments, to all Medicaid enrolled nursing facilities based on their pro-rata share of Medicaid days.

3. The aggregate difference between the Medicare Upper Limit and the per diem reimbursement for Medicaid nursing facilities will be calculated on an annual basis. The per diem Medicaid rates used in the calculation will be those being paid at the time of the calculation and the Medicare Upper Limit will be based on the current RUGs system of Medicare nursing facility reimbursement with appropriate adjustments to assure comparability with the Medicaid rate. The difference will be calculated on a facility-by-facility basis and multiplied by the reported Medicaid days at the particular nursing facility for the most recent cost report year. The product of all calculations will be added together to obtain the aggregate difference.

9. FY-2004 nursing facility operations adjustment—

A. Facilities with either an interim rate or prospective rate in effect on July 1, 2003, shall be granted an increase to their per diem effective for dates of service beginning August 1, 2003 through June 30, 2004 of four dollars and thirty-two cents (\$4.32) for the cost of nursing facility operations. Effective for dates of service beginning July 1, 2004, the per diem adjustment shall be reduced to three dollars and seventy-eight cents (\$3.78).

B. The operations adjustment shall be added to the facility's current rate as of June 30, 2003 and is effective for payment dates after August 1, 2003.

State Plan TN # 03-11
Supersedes TN # New Page

Effective Date: 08/01/03
Approval Date: JUN - 4 2004

- (a) The Medicaid patient days as determined from the cost report identified in part (13)(B)10.A.(I) exceeds ninety-three percent (93%) of the total patient days for all nursing facility licensed beds;
 - (b) The allowable cost per patient day as determined by the division from the applicable cost report for the patient care cost component, as set forth in paragraph (11)(A)1., exceeds 120% of the per-diem ceiling for the patient care cost component in effect at the end of the cost report period; and
 - (c) The allowable cost per patient day as determined by the division from the applicable cost report for the administration cost component, as set forth in paragraph (11)(C)1., is less than 150% of the per-diem ceiling for the administration cost component in effect at the end of the cost report period.
- (II) The second tier high volume adjustment shall not exceed 27.56% of the sum of the per-diem ceilings for the patient care, ancillary and administration cost components in effect on July 1 of each year.
- a. The adjustment for state fiscal year 2003 shall be \$18.56 per Medicaid day.
 - b. The adjustment for the dates of service August 1, 2003 to June 30, 2004 shall be nineteen dollars and seventy- one cents (\$19.71) per Medicaid day.
- (III) The adjustment for the current fiscal year shall be distributed based on a quarterly amount, in addition to per-diem payments, based on Medicaid days determined from the paid day report from Missouri's fiscal agent for pay cycles during the immediately preceding state fiscal year.
- (IV) A facility's total second tier high volume adjustment may not exceed the amount it has certified it spent in public funds providing services to Medicaid patients not otherwise reimbursed.
- (V) A nursing facility must qualify for the adjustment each year to receive the additional quarterly payments.

State Plan TN # 03-11
Supersedes TN # 02-21

Effective Date: 08/01/03
Approval Date: JUN - 4 2004

- (E) High Volume Adjustment for nursing facilities without a full twelve (12)-month cost report. Effective for dates of service January 17, 2003, the full twelve (12)-month cost report requirement set forth in (13)(B)10.A.(I) shall include nursing facilities that have on file at the division two (2) partial year cost reports that when combined cover a full twelve (12)-month period.
 - (F) Medicaid hospice days to be included in determination of Medicaid occupancy. Effective for dates of service January 17, 2003, the Medicaid patient days used to determine the Medicaid occupancy requirement set forth in (13)(B)10.A.(II) shall be calculated by adding the days paid for by the Medicaid nursing facility program plus the days paid for by the Medicaid hospice program from the cost report identified in part (13)(B)10.A.(I).
 - (G) Ninety Percent (90%) Medicaid High Volume Grant.
 - (I) Effective for dates of service August 1, 2003 to June 30, 2004, additional, one time funding shall be provided to nursing facilities that qualify for the first tier high volume adjustment, as set forth above in subparagraph (13)(B)10.A., and whose Medicaid patient days as determined from the cost report identified in part (13)(B)10.A.(I) exceeds ninety percent (90%) of the total patient days for all nursing facility licensed beds.
 - (II) The high volume grant for dates of service August 1, 2003 to June 30, 2004 will be calculated as a per diem adjustment based upon the funding appropriated by the general assembly and the Medicaid days incurred by the qualifying providers during SFY 2003. The adjustment for the period August 1, 2003 to June 30, 2004 shall be two dollars and thirty-six cents (\$2.36) per Medicaid day.
 - (III) The adjustment shall be distributed based on a quarterly amount, in addition to per diem payments, based on Medicaid days determined from the paid days report from Missouri's fiscal agent for pay cycles during state fiscal year 2003.
11. Minimum Rate Adjustment. A minimum rate adjustment shall be granted to qualifying providers, as follows:
- A. Effective for dates of service beginning July 1, 2001, the minimum Medicaid reimbursement rate for nursing facility services shall be \$85.00.

(C) Conditions for prospective rate adjustments. The Division may adjust a facility's prospective rate both retrospectively and prospectively under the following conditions:

1. Fraud, misrepresentation, errors. When information contained in a facility's cost report is found to be fraudulent, misrepresented or inaccurate, the facility's prospective rate may be both retroactively and prospectively reduced if the fraudulent, misrepresented or inaccurate information as originally reported resulted in establishment of a higher, prospective rate than the facility would have received in the absence of such information. No decision by the Division to impose a rate adjustment in the case of fraudulent, misrepresented or inaccurate information shall in any way affect the Division's ability to impose any sanctions authorized by statute or plan. The fact that fraudulent, misrepresented or inaccurate information reported did not result in establishment of a higher prospective rate than the facility would have received in the absence of this information also does not affect the Division's ability to impose any sanctions authorized by statute or plan;
2. Decisions of the Administrative Hearing Commission, or settlement agreements approved by the Administrative Hearing Commission;
3. Court Order; and
4. Disallowance of federal financial participation.

4. FY-2000 negotiated trend factor.
 - A. Facilities with either an interim rate or prospective rate in effect on July 1, 1999, shall be granted an increase to their per diem effective July 1, 1999, of 1.94% of the cost determined in subsections (11)(A), (11)(B), (11)(C), the property insurance and property taxes detailed in paragraph (11)(D)3. and the minimum wage adjustment detailed in paragraph (13)(A)1. of this regulation; or
 - B. Facilities that were granted a prospective rate based on paragraph (12)(A)2. that is in effect on July 1, 1999, shall have their increase determined by subsection (3)(S) of this regulation.
5. FY-2004 nursing facility operations adjustment.
 - A. Facilities with either an interim rate or prospective rate in effect on August 1, 2003, shall be granted an increase to their per diem effective for dates of service beginning August 1, 2003 through June 30, 2004 of four dollars and thirty-two cents (\$4.32) for the cost of nursing facility operations. Effective for dates of service beginning July 1, 2004, the per diem adjustment shall be reduced to three dollars and seventy-eight cents (\$3.78).
 - B. The operations adjustment shall be added to the facility's current rate as of June 30, 2003 and is effective for payment dates after August 1, 2003.